



INTERNATIONAL  
URANIUM (USA)  
CORPORATION

*m/37/006*

Independence Plaza, Suite 950 • 1050 Seventeenth Street • Denver, CO 80265 • 303 628 7798 (main) • 303 389 4125 (fax)

October 8, 2002

Paul Baker, Senior Reclamation Specialist  
State of Utah, Department of Natural Resources  
Division of Oil, Gas and Mining  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

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**OCT 10 2002**

**DIVISION OF  
OIL, GAS AND MINING**

Re: Response to Inspection Report, Rim/Columbus Mine, August 14, 2002

Dear Mr. Baker:

International Uranium (USA) Corporation ("IUSA") received a site Inspection Report from the Division of Oil, Gas and Mining (the "Division") for a site inspection conducted August 14, 2002 at the Rim/Columbus Mine, Permit M/037/006, San Juan County, Utah. In this Inspection Report, a number of site maintenance items were reported by the inspectors. IUSA has recently completed several site cleanup and repair chores at the mine site.

The following items noted in the Inspection Report, as well as several items not specifically noted in the Report, have been addressed:

1. A three-transformer platform was noted to be sagging, with the potential for collapse or failure. The transformers have been removed from the platform and removed from the site. (August 31)
2. The portal and waste dump (the Sunset mine) near the Humbug portal site does not belong to IUSA and is not included under Permit M/037/006. The Division requests that IUSA consider closing this portal the next time reclamation equipment is available at the Rim site. Although IUSA will consider closure of this apparently abandoned portal site, IUSA is concerned about closing this opening if it belongs to some other operator. If IUSA agrees to close this opening at some future date, the Division will be so notified so that agreement can be reached on the limits of IUSA's activities.
3. The Humbug portal has been closed by filling it with the low grade material that was stockpiled on the surface of the waste dump. The Humbug portal is excavated below the surrounding ground surface, and the fill material was placed in a manner to maintain drainage into the portal slot cut. Therefore, no runoff or dispersion of the low grade material will occur. (September 2 - 4)

Paul Baker

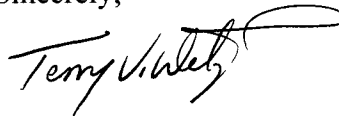
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4. The Humbug waste dump berm had one spot that was breached, allowing runoff from the dump surface to occur. The berm was repaired to direct all runoff from the dump down into the portal slot cut. (September 3)
5. The Columbus portal was previously kept open to provide ventilation to the Rim Mine. This portal was closed by removing the portal gate and timber set and pushing the portal full of dirt obtained from the immediate area of the portal. As noted in the Inspection Report, IUSA's only permitted obligation for the Columbus site is closure of the portal. (September 4)
6. The drainage control structures above the Humbug portal were repaired and modified so that all site runoff is directed to the portal slot cut. (September 6)
7. Two small areas of low grade material in the Rim yard were picked up and buried in the waste dump to prevent dispersion of this material. (August 30)
8. Two old dilapidated buildings in the Rim maintenance area were demolished and the debris was removed. (August 30 - 31)
9. An old change building in the "trailer camp" area to the northwest of the mine yard was demolished and the debris was removed. (September 1)
10. The site of the oil-contaminated soil resulting from the spill of transformer oil in April 2002 was re-aerated. (August 31)
11. Pieces of concrete obtained from site clean-up work were placed at the end of the drainage pipe (to serve as rip-rap) in the mine yard south of the Rim shaft. (September 1)
12. The Rim Mine yard drainage was repaired to minimize erosion and runoff. Berms were re-established and areas were leveled and bladed to provide runoff control. (August 31 & September 6 & 14)

IUSA is presently updating mine site maps for all of the permitted mines in Utah. The Rim Mine site, including the mine portal sites, will be surveyed to provide current site maps and updated information. Surveying of the Rim Mine site is presently scheduled for the middle of October.

Sincerely,



Terry V. Wetz  
Director of Project Development  
International Uranium (USA) Corporation

Paul Baker

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cc: David C. Frydenlund  
Ron F. Hochstein  
Central File - Rim/Columbus Permit